GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4316
ANSWERED ON:11.08.2017
Foreign Banks
Dhurve Smt. Jyoti

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has permitted foreign banks to open their branches in the areas which lack banking services and in rural areas;

(b) if so, the details thereof;

(c) whether the Government has formulated any policy for regulating the said banks;

(d) if so, the details thereof; and

(e) the other measures taken/being taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) to (e): Reserve Bank of India (RBI) has given permission to the following foreign banks for opening branches in rural areas:

S. No.	Name of the Foreign Bank	No. of Rural Branches
1.	Australia and New Zealand Banking Group Limited	1
2.	JP Morgan Chase Bank NA	2
3.	DBS Bank Limited	2
4.	Deutsche Bank AG	1
5.	Shinhan Bank	1
6.	Standard Chartered Bank PLC	1
7.	The Bank of Tokyo Mitsubishi UF J Ltd.	1

RBI regulates all banks in the country including the foreign banks. The regulatory guidelines issued to domestic banks are generally applicable to foreign banks except in certain specific areas viz. Priority Sector Lending targets, branch authorization policy etc.

Currently there are no regulatory directions from RBI on opening branches in unbanked/rural areas for foreign banks operating in India. However, RBI does encourage foreign banks to open branches in unbanked/rural areas. RBI's general directions on operation of branches in rural / unbanked areas are applicable to the branches of foreign banks as well.
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